



# ***Children's Commission***

## ***Department of Children and Family Services Realignment Presentation***

April 2, 2012

# 1991 Realignment

- July, 1, 1991, the State-county realignment provisions became effective (AB948, Chapter 91, Statutes of 1991 and AB 1288, Chapter 89, Statutes of 1991).
- The restructuring affected most mental health and public health programs as well as social service programs.
- This restructuring transferred more of the fiscal and programmatic responsibility for programs from the State to local governments.

# 1991 Realignment (continued)

There are two dedicated revenue sources to fund the programs:

- A one-half cent increase in the State sales tax
- An increase in vehicle license fee

## Transfer between Accounts

Counties may transfer funds among the Health, Mental Health and Social Service Accounts.

# 2011 Realignment

- On June 20, 2011, the Governor signed AB 118 and later signed ABX116. These bills realigned the funding for many Health and Human Services Programs.
- The restructuring transferred more of the fiscal responsibility for programs from the State to local government.
- Instead of State General fund allocations, Counties receive a % of 2011 realignment funding
- Increase risk to Counties if sales tax and VLF do not materialize.

# 2011 Realignment (continued)

## Funding Model

\$6,322 billion total funding as follows:

- \$5.106 billion by shifting 1.065% sale taxes through reducing Prop 98 obligation by depositing sales tax revenue into special fund to avoid being used as a State revenue for the purpose of calculating the Prop 98 obligation.
- \$453 million by using existing Vehicle License Fee to fund local law enforcement
- \$763 million one-time (2011-12 only ) shift of Prop. 63 fund.

# 2011 Realignment (continued)

## Programs Realigned (by millions)

Adult offenders and parolees	\$1,587
Local public safety grant programs	490
Court security	496
Pre-2011 juvenile realignment	97
Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)	597
Mental Health Managed Care	184
Drug and alcohol programs – substance abuse treatment	184
Foster Care and Welfare Services	1,567
Adult Protective Services	55
CalWORK/mental health transfer	1,084
CalWORKs	(1,066)
Mental health	(18)
<b>Total</b>	<b>\$6,322</b>

# Account Structure for 2011 Realignment under Health and Human (HHS) Services

Local Revenue Fund 2011  
FY2011-12 AB118- Sub-accounts \$ & %

HHS Program	Sub-account \$	%
<u>Women and Children Residential Treatment Services</u>	5.4	0.30%
<u>Drug Court</u>	27.1	1.50%
<u>Nondrug Medi-Cal Substance Abuse Treatment Services</u>	19.9	1.10%
<u>Drug Medi-Cal</u>	131.8	7.30%
<b>Substance Abuse Treatment Account</b>	<b>\$ 184.2</b>	
<u>Adoption Assistance Program</u>	382.8	21.20%
<u>Adoptions (Admin)</u>	70.4	3.90%
<u>Foster Care (Assistance)</u>	391.9	21.70%
<u>Foster Care Administration</u>	39.7	2.20%
<u>Child Abuse Prevention (CAPIT)</u>	12.6	0.70%
<u>Child Welfare Services</u>	670.0	37.10%
<b>Foster Care * CWS Accounts</b>	<b>\$ 1,567.4</b>	
<u>Adult Protective Services</u>	\$ 54.2	3.00%
<b>HHS Account Total</b>	<b>1,805.80</b>	<b>100.00%</b>

# 2011 Realignment Facts

- **Transferability:**
  - No transferability between Accounts and Sub-accounts.
- **Allocation and Base**
  - Funding generally allocated based on historical spending.
- **Revenue Shortage**
  - In the event there are revenue shortages, each program will receive its proportionate share of the shortfall except for Mental Health Account and Law Enforcement.



# 2011 Realignment Facts (continued)

- **Excess Revenue (Growth)**

- In the event there is revenue surplus, revenue will be deposited into a reserve account to fund entitlement programs:
  - Foster Care
  - Adoption Assistance Program
  - Drug Medi-Cal

- **Policy Changes:**

- No significant policy changes other than fiscal changes to realigned programs for FY 2011-12 as the policy details and implementation issues to be addressed during the 2012 legislative session. Major policy changes could begin as early as July 2012.

## Summary DCFS Realigned Programs

PROGRAMS	FY 10-11	FY 11-12
	ACTUAL ALLOCATIONS	ACTUAL ALLOCATIONS (CFL: 11/12-18)
<b><u>ADMIN REALIGNED PROGRAMS</u></b>		
Child Welfare Services, Basic		\$ 172,581,095
Augmentation	\$ 19,016,946	\$ 20,116,350
Subtotal - CWS	\$ 19,016,946	\$ 192,697,445
Kinship Support Services	\$ 176,000	\$ 176,000
Adoptions	\$ 16,946,354	\$ 17,163,748
EA - Eligibility(TANF)	\$ 1,977,233	\$ 1,570,800
Eligibility - AFDC/ AAP	\$ 2,444,000	\$ 15,465,334
Emancipated Youth Stipends/ THP-Plus	\$ 2,855,947	\$ 2,526,339
Supportive & Therapeutic Options	\$ 3,306,862	\$ 3,306,862
Independent Living	\$ 5,352,395	\$ 5,352,389
Fed-GAP Admin	\$ 789,623	\$ 806,040
	<b>\$ 52,865,360</b>	<b>\$ 239,064,957</b>
<b><u>ASSISTANCE REALIGNED PROGRAMS</u></b>		
AFDC- FC Waiver		\$ 130,813,552
Child Abuse	\$ 3,111,602	\$ 3,373,249
Adoption	\$ 106,995,566	\$ 106,995,566
Family Preservation	\$ 10,485,344	\$ 10,485,344
	<b>\$ 120,592,512</b>	<b>\$ 251,667,711</b>
<b>CWS Waiver and FC Waiver</b>	<b>\$ 294,833,553</b>	
<b><u>TOTAL REALIGNED PROGRAMS</u></b>	<b>\$ 468,291,425</b>	<b>\$ 490,732,668</b>

### **Summary DCFS Realigned Programs**

<b>PROGRAMS</b>	<b>ACTUAL CLAIMS</b>	<b>ACTUAL COLLECTED</b>	<b>VARIANCE FROM ACTUAL</b>
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#### **ADMIN REALIGNED PROGRAMS (as of Dec. 11)**

Adoptions Admin	\$ 10,815,714	\$ 10,913,462	\$ 97,748
Child Welfare Services	\$ 122,012,976	\$ 108,948,110	\$ (13,064,866)
Foster Care Admin	\$ 7,851,068	\$ 9,414,958	\$ 1,563,890

#### **ASSISTANCE REALIGNED PROGRAMS (as of Feb. 12)**

Child Abuse	\$ 1,458,141	\$ 1,620,773	\$ 162,632
Adoptions Assistance	\$ 76,219,299	\$ 79,913,066	\$ 3,693,767
Foster Care Assistance	\$ 79,587,538	\$ 90,474,356	\$ 10,886,818
	<b>\$ 297,944,736</b>	<b>\$ 301,284,725</b>	<b>\$ 3,339,989</b>